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**CENTURY GINWA RETAIL HOLDINGS LIMITED**

**世紀金花商業控股有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 162)**

## **SUPPLEMENTAL ANNOUNCEMENT**

### **VERY SUBSTANTIAL ACQUISITION SECOND SUPPLEMENTAL AGREEMENT IN RELATION TO THE ACQUISITION OF THE DEVELOPMENT IN XI'AN, PRC**

Reference is made to the announcement of Century Ginwa Retail Holdings Limited (the “**Company**”) dated 20 September 2021 in relation to the Second Supplemental Agreement (the “**Announcement**”). Unless otherwise defined, capitalized terms used in this supplemental announcement shall have the same meanings as defined in the Announcement.

The Company wishes to provide its shareholders and potential investors with additional information in relation to the Second Supplemental Agreement as below:

#### **1. ASSIGNMENT**

In December 2014 when the Agreement was entered into, the Project Company was a new company which was set up by the Vendor in April 2014. Therefore, all parties considered it to be more appropriate to involve the Vendor as the signing party to the Agreement. Pursuant to the terms of the Agreement, the obligations in relation to development, delivery and sale of the Property shall be completed by the Project Company under the instruction and supervision of the Vendor. The Project Company is the one actually carrying out the construction and development of the Property. Pursuant to the applicable PRC laws and regulations, the Project Company, as the registered owner of the land use rights, shall be the exact party (instead of the Vendor) to fulfil the final delivery and sale of the Property to the Purchaser. As such, it is considered to be appropriate to involve the Project Company as the signing party under

the Second Supplemental Agreement and to propose the assignment of the rights, obligations and liabilities of the Vendor under the Agreement to the Project Company. As advised by the Company's PRC legal advisers (陝西豐瑞律師事務所), entering into the Second Supplemental Agreement is necessary for parties to refine and detail the remaining obligations in respect of the delivery of the Property by the Project Company at current stage, which should not be considered as material changes to the obligations of the Vendor/Project Company under the Agreement. Therefore, the involvement of the Project Company as the signing party under the Second Supplemental Agreement and the assignment of the rights, obligations and liabilities of the Vendor under the Agreement is necessary and conducive to the clarification, detailing and refinement of the terms relating to rights and obligations, and aligns each relevant party on the same page focusing on the delivery of the Property and achieving the ultimate purpose of the Agreement.

The Company, after consulting with its PRC legal advisers (陝西豐瑞律師事務所), hereby confirmed that, if there are major qualify defects of the Property in the future, the Company is entitled to the claim against the Project Company as well as the Vendor for compensation pursuant to applicable PRC laws and the terms of the Agreement and the Second Supplemental Agreement. There are no material differences in the rights, obligations and liabilities of the Vendor and the Project Company before and after entering into the Second Supplemental Agreement.

## **2. PAYMENT OF THE REMAINING CONSIDERATION BY XI'AN SHANGYA**

The Company, after consulting with its PRC legal advisers (陝西豐瑞律師事務所), hereby confirmed that, when entering into the Second Supplemental Agreement, the Company has fulfilled its obligations to pay all consideration to the Project Company for the Acquisition. Pursuant to the terms of the Second Supplemental Agreement, if Xi'an Shangya fails to settle the Remaining Consideration, the Company is not liable for the settlement of the Remaining Consideration. As such, the procurement of Xi'an Shangya taking into account the turnover days of the Company's account receivables from Xi'an Shangya during ordinary course of business under normal circumstances previously being approximately 200 days, which simplifies the Company's payment procedures and is fair and reasonable and in the interest of the Company.

### 3. REASONS FOR FURTHER DELAY IN DELIVERY OF THE PROJECT

The Company has made its assessment on the reasons for the further delay in the delivery of the Project after taking into account the information provided by a third-party construction supervision company which was engaged to supervise the construction of the Project. Such delay was mainly due to the construction suspension caused by bad weather conditions, governmental notification or policies related to weather or environmental matters and COVID-19 pandemic. The construction and development of the Property is a complex and systematic project. A delay in certain essential construction time may result in (a) additional time spent for such piece of construction work, (b) adjustment in the other construction process, and/or (c) further delay in other multiple construction work. In addition, the actual delay will be longer than the actual shutdown period as there is reasonable timespan for the reallocation of construction materials and reorganization of on-site workers to resume the existing construction work.

Taking into account the overall arrangement (including the assignment and the payment of the Remaining Consideration) under the Second Supplemental Agreement, the Company considers that the terms of the Second Supplemental Agreement so made to amend the Agreement are non-material and are in the interests of the Company and its Shareholders as a whole.

Further announcement(s) will be made by the Company on the update of the Project as and when appropriate in accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

This supplemental announcement is supplemental to and should be read in conjunction with the Announcement.

By order of the Board  
**Century Ginwa Retail Holdings Limited**  
**Huang Shunxu**  
*Chairman*

Hong Kong, 29 December 2021

*As at the date of this announcement, the Board comprises three executive directors, being Mr. Huang Shunxu, Mr. Qin Chuan and Ms. Wan Qing; two non-executive directors, being Mr. Li Yang and Mr. Chen Shuai, and three independent non-executive directors, being Mr. Tsang Kwok Wai, Mr. Ruan Xiaofeng and Ms. Song Hong.*